



IOWA LOTTERY BOARD MEETING

Meeting. The Iowa Lottery Board met on June 28, 2016, in Cedar Rapids, Iowa. The Board took the following action:

Financial Update. The Board was briefed on the current financial details regarding lottery sales in Iowa. According to data provided by the Iowa Lottery Authority, total FY 2016 year-to-date instant-scratch ticket sales (as of the end of May 2016) have increased by 10.01% when compared to FY 2015 year-to-date total scratch ticket sales (as of the end of May 2015). Fiscal Year 2016 year-to-date Powerball sales, as of the end of May 2016, totaled approximately \$71.02 million, an increase of approximately 44.05% when compared to FY 2015 year-to-date Powerball sales as of the end May 2015. Total Lottery operating revenues for year-to-date FY 2016 (as of the end of May 2016) have increased by approximately 12.56% when compared to FY 2015 year-to-date total revenues (as of the end of May 2015).

New Lottery Product. The Board unanimously approved plans for the Iowa Lottery Authority to begin developing a product named InstaPlay. This product, which is already popular in 13 other states, is a scratchless version of a traditional lottery ticket, lacking the latex coating currently in use on scratch tickets. InstaPlay tickets will be printed on demand from lottery terminals, similar to tickets in lotto games such as Powerball and Mega Millions. Having received the Board's approval, the Lottery Authority will begin developing three individual InstaPlay games, with a goal to begin sales in the fall of 2016.

Pull-Tab Vending Machine RFP/Contract. Pursuant to the enactment of HF 2146, the Iowa Lottery Authority has issued a contract (RFP-IL 16-11) to seek proposals from qualified vendors interested in leasing or selling the new pull-tab vending machines as described by HF 2146. American Games, a Council Bluffs, Iowa, company and also the current supplier of Iowa Lottery pull-tab vending machine equipment and maintenance), was the only bidder to respond to the contract. The Board voted unanimously to issue a notice of intent to award American Games (RFP-16-11) and to authorize the Iowa Lottery Authority to enter into the contract with American Games in order to lease or purchase new pull-tab vending machines and maintenance services. The current contract for existing machines expires on September 30, 2016. In addition to the pull-tab vending machines, the Lottery also is proceeding with the purchase of new self-service kiosks to dispense instant-scratch tickets and lotto tickets from Scientific Games, based in Alpharetta, Georgia.

Election of Officers. The Board unanimously voted to elect Board member Mike Klappholz of Marion as the new Iowa Lottery Board chairman and Conner Flynn, Jr. of Des Moines as the new Board vice chair. The Board oversees the Lottery and its operations and is composed of five Iowa citizens appointed by Governor Branstad, as well as the State Treasurer as an ex-officio member.

Next Meeting. The next meeting of the Board has not been scheduled at this time.

STAFF CONTACT: Christin Mechler (515-281-6561) christin.mechler@legis.iowa.gov